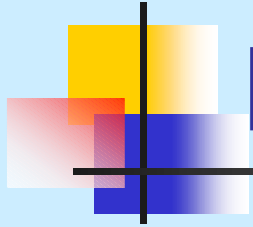


# Washington's Tax Structure Today



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Senate Ways and Means  
January 23, 2001

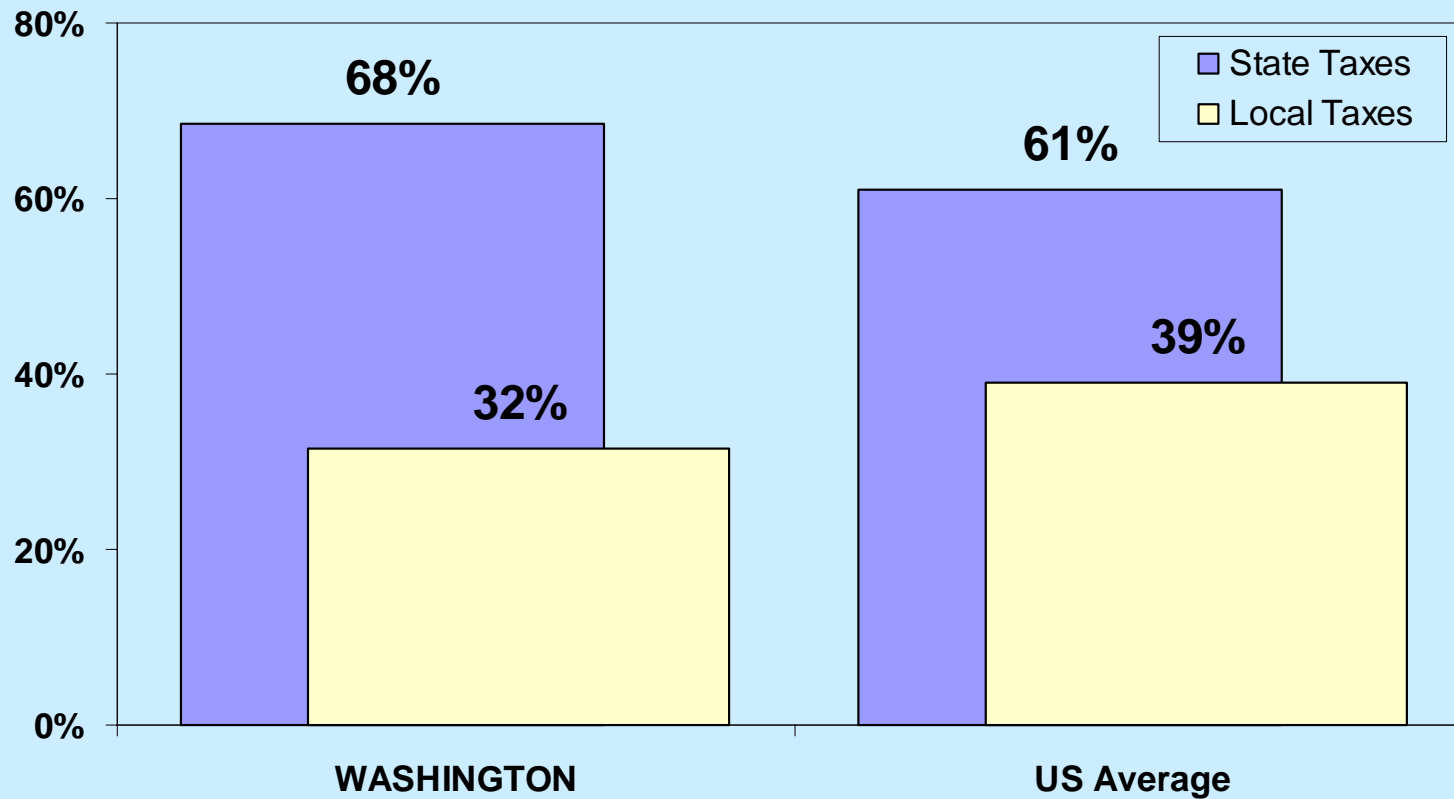


# Presentation Outline

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- State and local tax levels compared with other states.
- The growth in taxes compared to the economy.
- The composition of Washington's taxes.

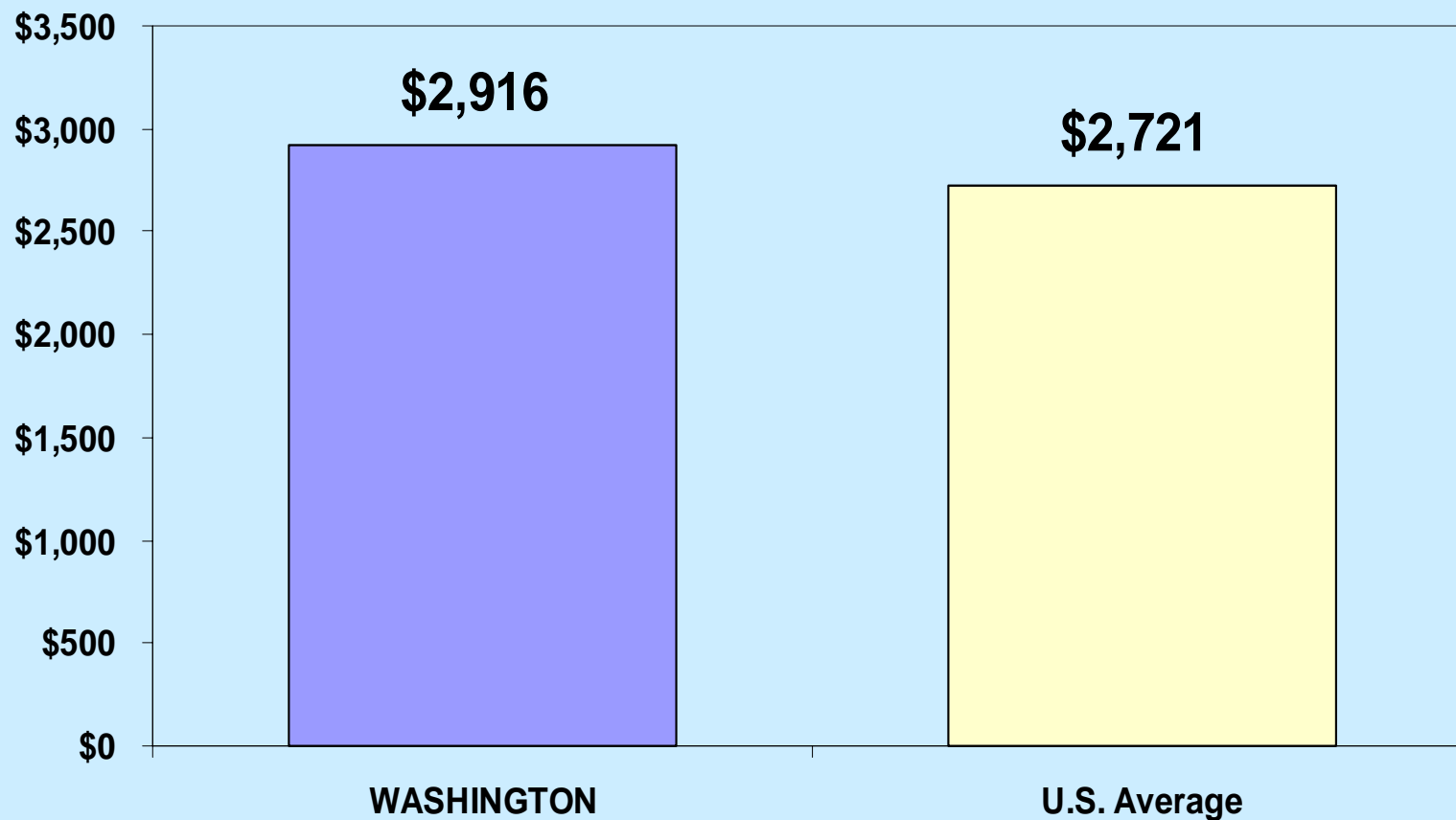
Washington is more dependent on state taxes and less dependent on local taxes than most states. (Source: Comparative State and Local Taxes, 1997 DOR)





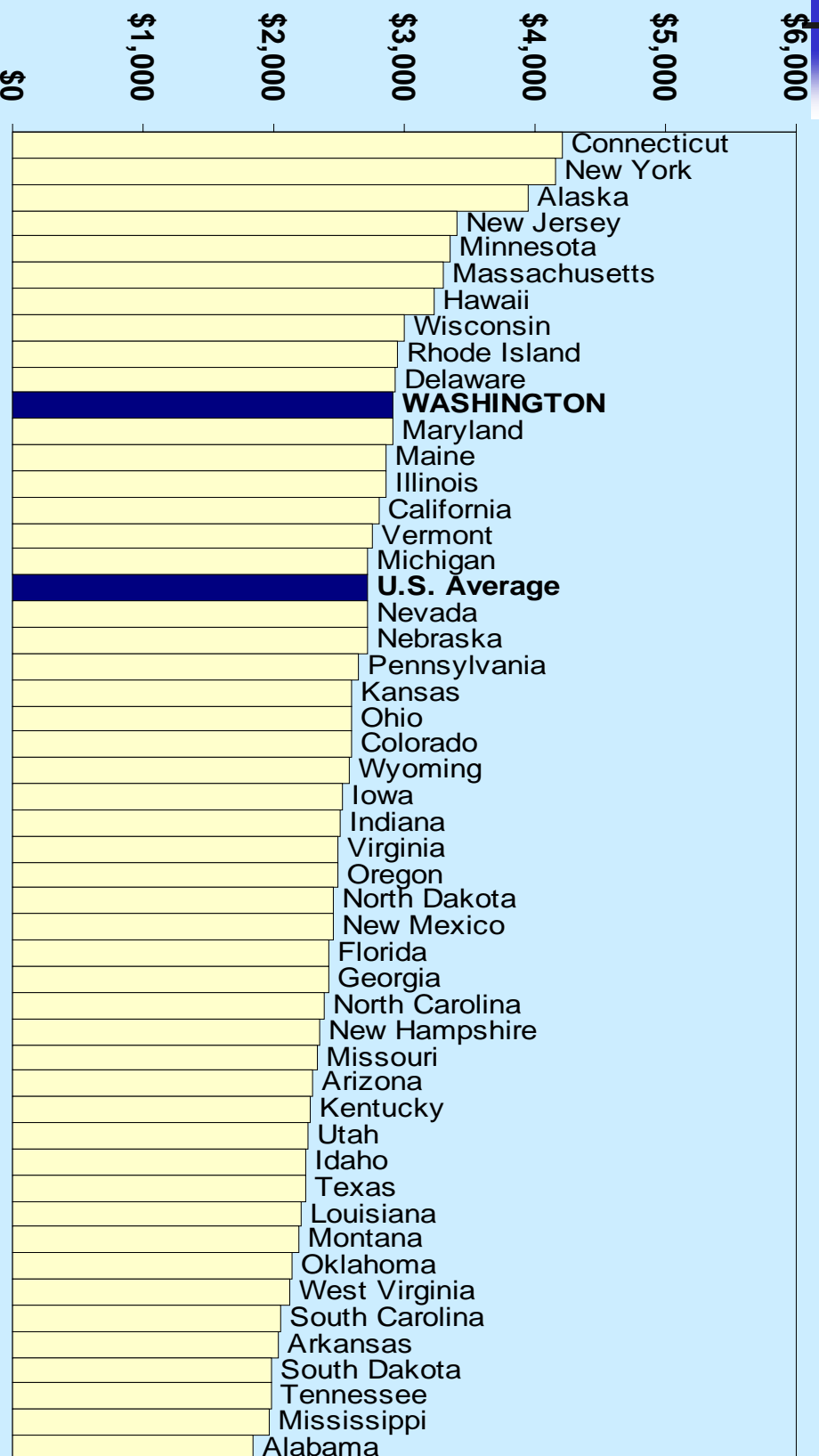
Washington per capita state and local taxes are  
7.2% higher than the US average.

(Source: Comparative State and Local Taxes, 1997 DOR)



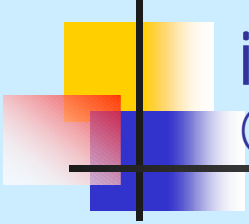
# Ranking 11<sup>th</sup> among all states in per capita state and local taxes.

(Source: Comparative State and Local Taxes, 1997 DOR)



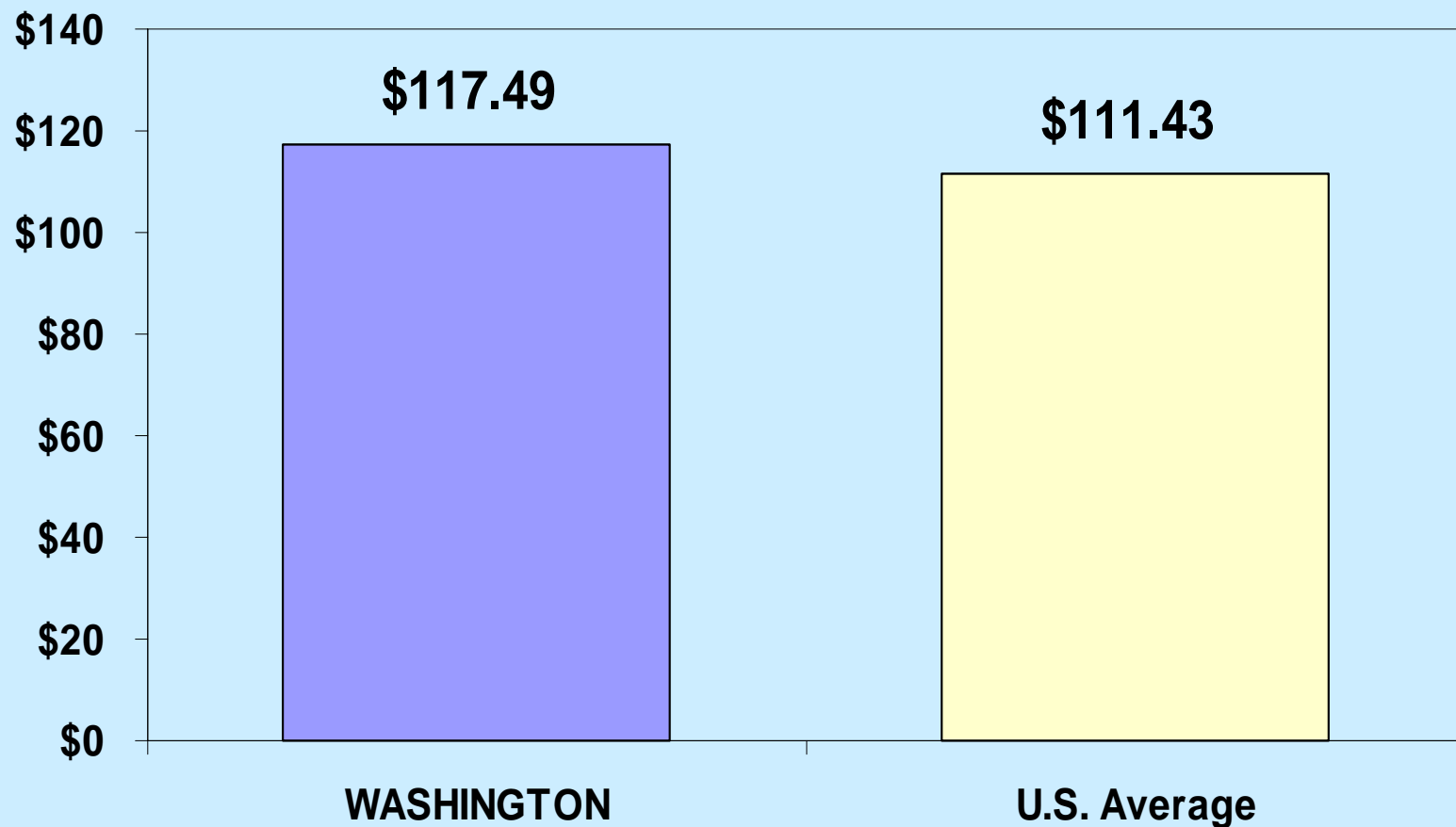
January 23, 2001

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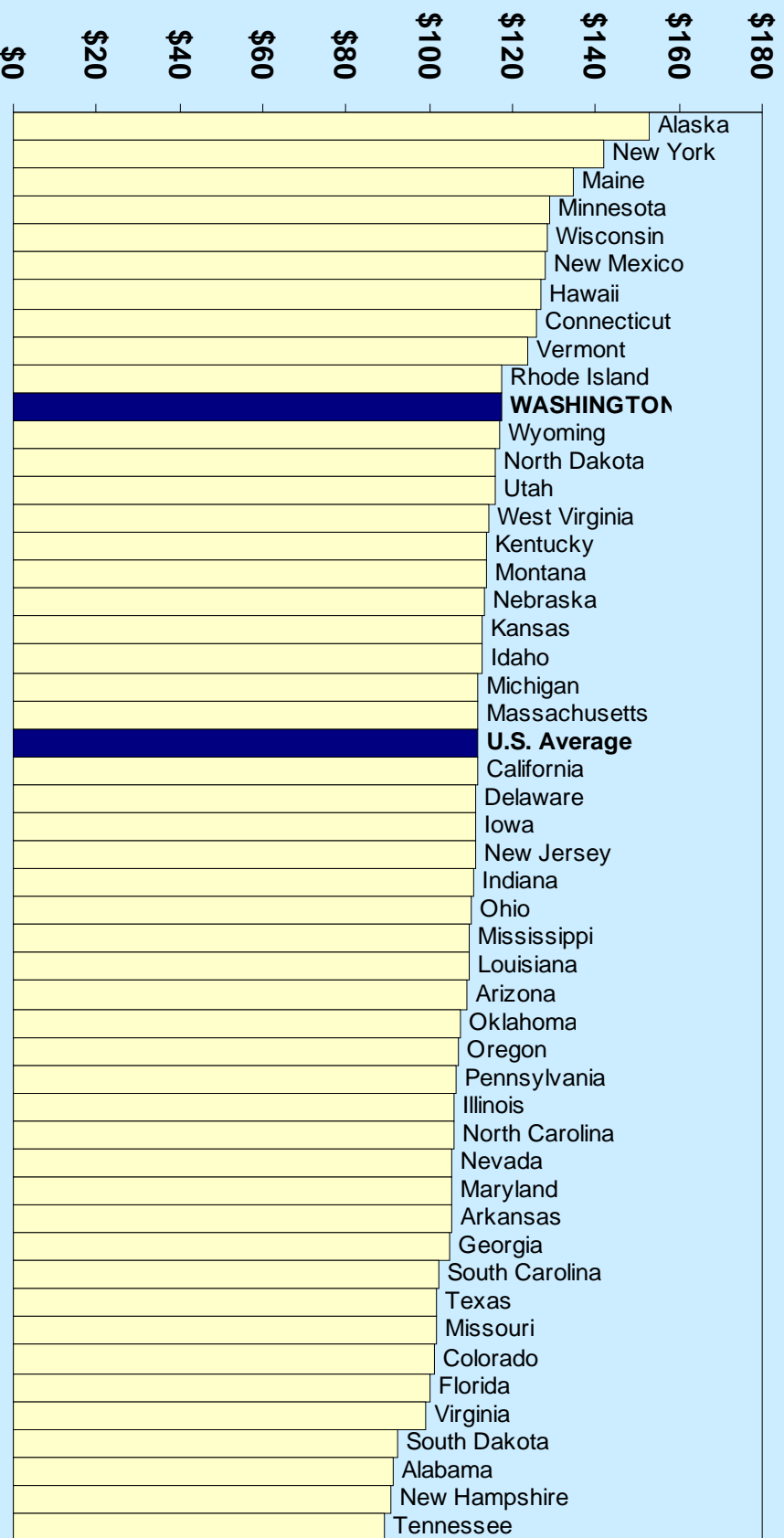
State and local taxes per \$1,000 of personal income are 5.4% higher than the US average.

(Source: Comparative State and Local Taxes, 1997 DOR)



# Ranking 11<sup>th</sup> among all states in state and local taxes per \$1,000 personal income.

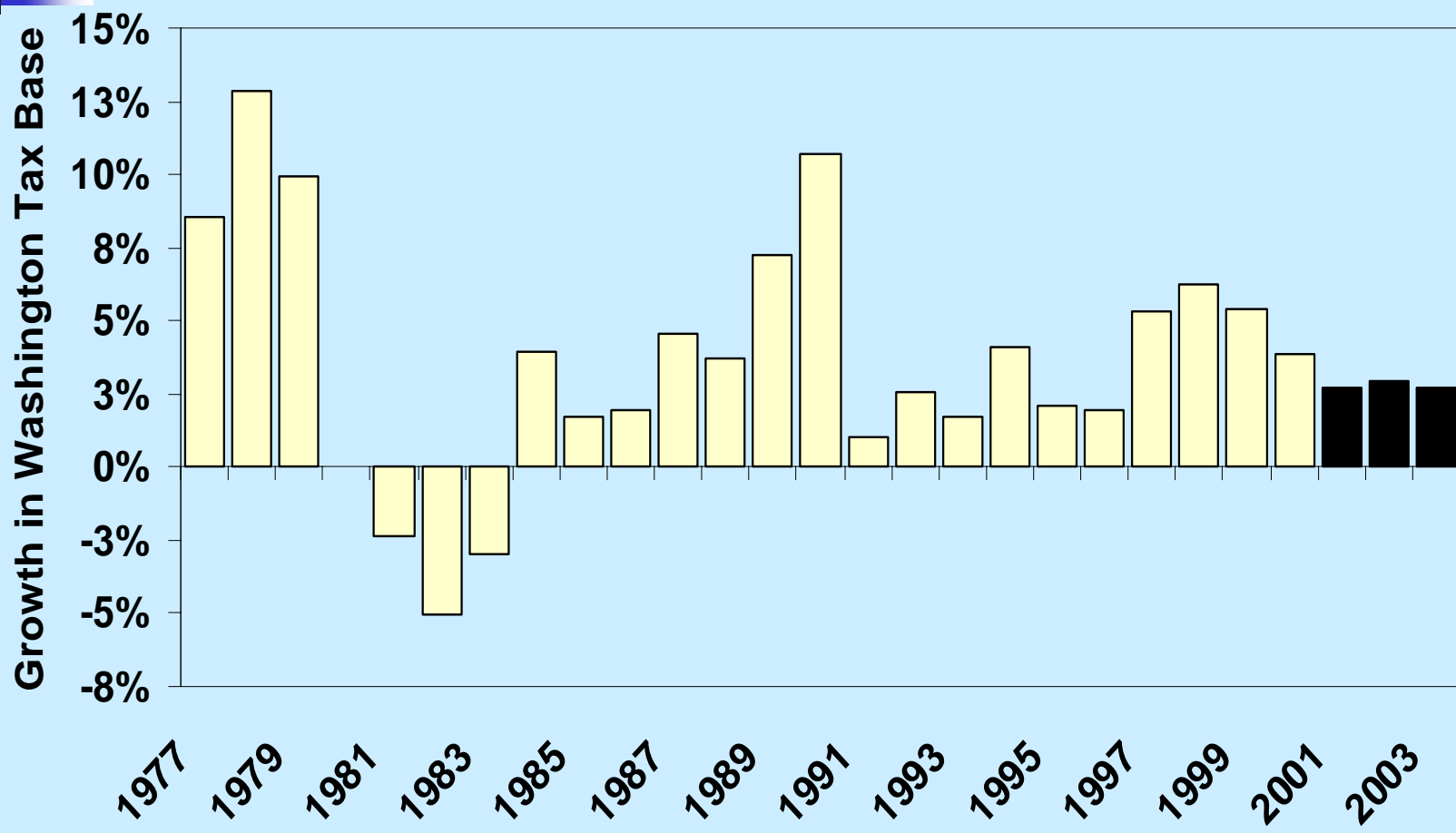
(Source: Comparative State and Local Taxes, 1997 DOR)



January 23, 2001

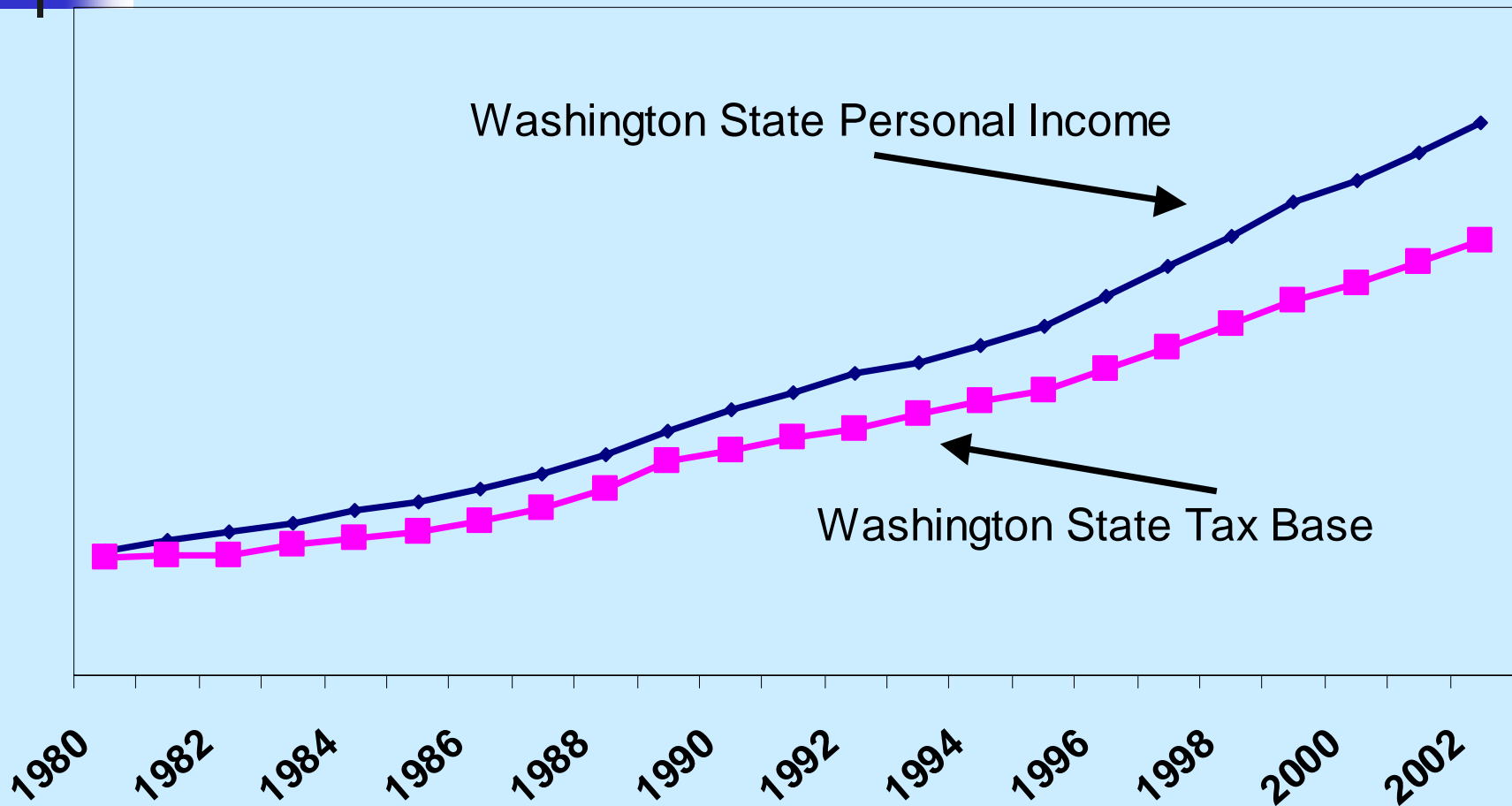
Senate Ways & Means Committee

The tax base is especially volatile, growing very quickly in good economic times but falling quickly during bad times.



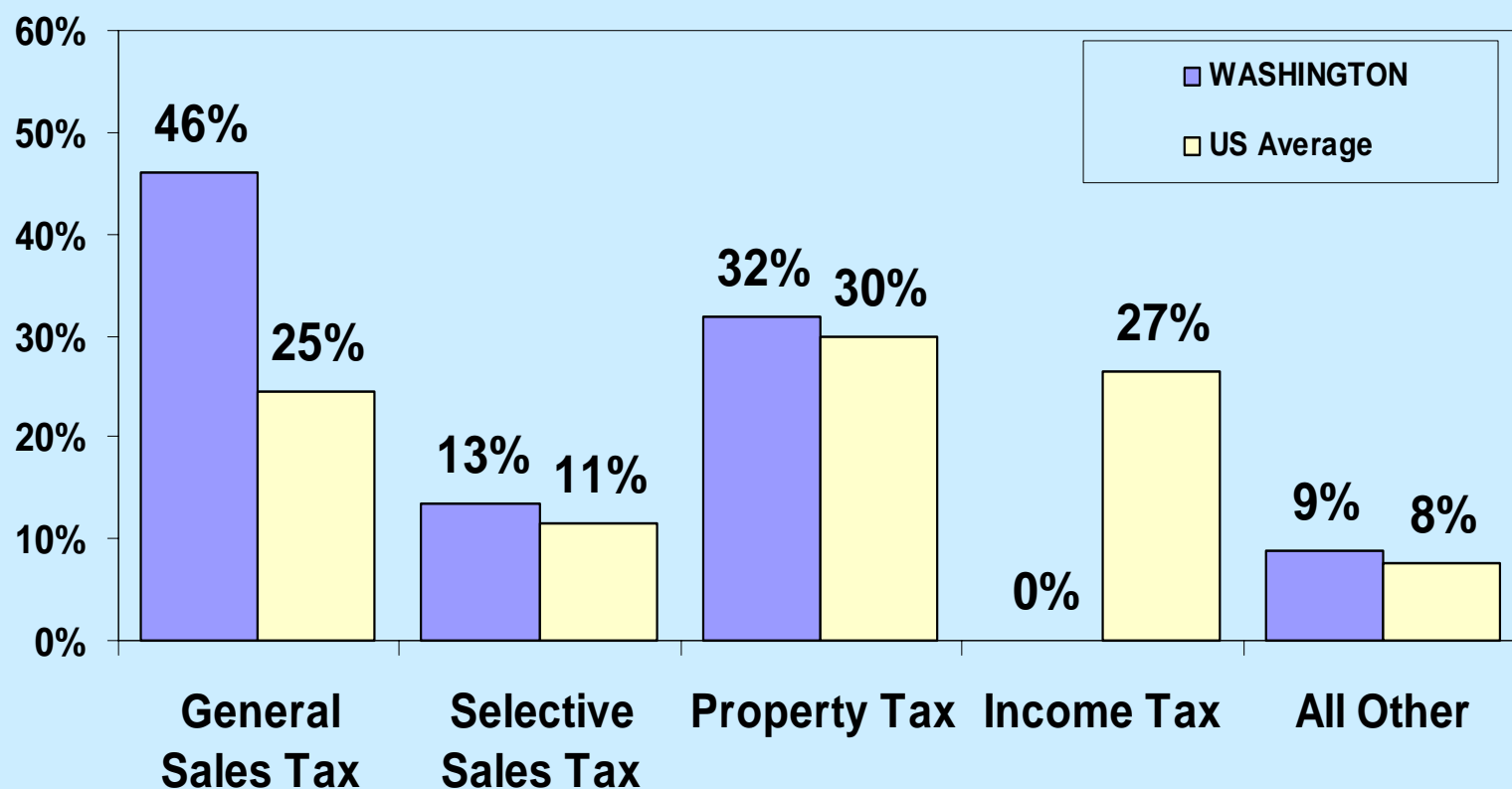


The state and local tax base tends to grow somewhat more slowly than the underlying economy.



# Washington is highly dependent on its general sales tax.

(Source: Comparative State and Local Taxes, 1997 DOR)





## Further Questions to be discussed today.

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- How does our 70 year old tax system fit today's economy?
- What issues face our tax system today that did not in the past?
- How does our tax structure influence the business climate?
- How is the tax burden shared between consumers and businesses?